

House Bill 719

By: Representatives Porter of the 143rd, Smyre of the 132nd, Hugley of the 133rd, Ashe of the 56th, Randall of the 138th, and others

A BILL TO BE ENTITLED
AN ACT

To amend Part 1 of Article 4 of Chapter 12 of Title 45 of the Official Code of Georgia Annotated, relating to management of budgetary and financial affairs by the Office of Planning and Budget, so as to require tax expenditure reviews as a part of the budget report; to provide for a definition; to provide for contents and requirements of each report; to provide for related matters; to provide an effective date; to repeal conflicting laws; and for other purposes.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

SECTION 1.

Part 1 of Article 4 of Chapter 12 of Title 45 of the Official Code of Georgia Annotated, relating to management of budgetary and financial affairs by the Office of Planning and Budget, is amended in Code Section 45-12-71, relating to definitions regarding management of such affairs by such office, by adding a new paragraph to read as follows:

"(15) 'Tax expenditure' means any statutory provision which exempts, in whole or in part, any specific class or classes of persons, income, goods, services, or property from the impact of established state taxes, including but not limited to tax deductions, tax allowances, tax exclusions, tax credits, preferential tax rates, and tax exemptions. Such term shall also include any expenditure of state tax proceeds to local governments for homeowner tax relief grants or local government assistance grants which grants are authorized by or required by any provision of Article VII of the Constitution."

SECTION 2.

Said part is further amended in Code Section 45-12-75, relating to the budget report, by revising paragraphs (7) and (8) and adding paragraph (9) to read as follows:

"(7) A draft of a proposed General Appropriations Act or Acts embodying the Governor's budget report and recommendations for appropriations for the next fiscal year and drafts of such revenue and other Acts as may be recommended for putting into effect the

proposed financial plan. The recommended appropriation for each budget unit shall be specified in a separate section of the General Appropriations Act. The total amount of appropriations recommended shall not exceed the cash resources available to meet expenditures under such appropriations; and

(8) A tax expenditure review for the state. Such report shall detail for each tax expenditure item that amount of tax revenue foregone for at least a three-year period, including the period covered in the Governor's budget submitted the preceding January, the current budget, and an estimate of at least one future year, a citation of the statutory or other legal authority for the expenditure, and the year in which it was enacted or the tax year in which it became effective. The report shall also contain a statement of the intended objective of the tax expenditure, an analysis of whether the tax expenditure is achieving that objective, and the effect of the expenditure device on the distribution of the tax burden and administration of the tax system. Taxes included in this report shall cover all state taxes collected by the Department of Revenue. Nothing in this paragraph shall preclude the Office of Planning and Budget from contracting out the preparation and analysis associated with the development of such report. Such report shall be available to the public at the Open Georgia website; and

(9) Such other information as the Governor deems desirable or as is required by law."

SECTION 3.

This Act shall become effective upon its approval by the Governor or upon its becoming law without such approval.

SECTION 4.

All laws and parts of laws in conflict with this Act are repealed.